



International Trade Theory & Policy
ECON 3006 (Semester II - 2018/2019)
Department of Economics
The University of the West Indies - Mona

Lecturer: Samuel Braithwaite (samuel.braithwaite@uwimona.edu.jm)

Class Times: Mon. 4:00-5:55 PM (G 102)

Tutorials: Mon 7 PM (SR 8), Wed. 4 PM (RM 12), Thur. 5 PM (RM 11), & Fri. 8 AM (GLab B)

Office Hours: Mon. 9:00-11:00 PM, & Wed. 9:00-11:00 PM (McIntyre Building: Room I-214)

Prerequisite: ECON 2000 & ECON 2002

Course Description:

International trade is one half of the international economics course sequence. International monetary economics forms the other part. This course is a mixture of trade theory, global trade patterns, and trade policy. Special emphasis is placed on the Caribbean situation. International trade extensively uses a microeconomic framework to analyse different trade and trade related phenomena. Why countries trade? What determines the pattern of trade? Why do countries trade with each other? These are some of the pertinent questions for which answers are provided. Trade data, documentaries, annual publications, and articles (especially journal articles) will be used. **This course requires much reading and writing.**

Learning Outcomes:

Upon completing this course, the successful student should be able to:

- Succinctly explain why countries engage in trade.
- Use the framework provided by microeconomics to explain the theories of international trade.
- Use the various theories to explain the pattern of international trade.
- Apply the theories of international trade to real world situations.
- Critically evaluate international trade policy.
- Discuss issues of trade within the Caribbean context.

Modes of Delivery:

There will be two lecture hours and one tutorial hour per week. Problem sets (not for grading) will be provided via OURVLE, and are necessary for practising relevant problems. Students will be provided with articles which **must be read** for discussion in tutorials. Students **must** check their emails or OurVLE for messages relating to this course.

Assessment:

| | |
|---------------|-------|
| Term Paper | - 25% |
| Mid Term Exam | - 25% |
| Final Exam | - 50% |

Term Paper:

Each week a number of students will be assigned topics to write on, and they will have **two weeks** to submit their papers. The paper is worth 25 points, one point will be deducted for each day the paper is submitted late. The paper should consist of at least 3,000 words and must be submitted via Turnitin. More details will be provided at a later date.

All students are expected to read and understand the university's policy on plagiarism, and submit their papers in accordance with said guidelines. Click the following link for more information; <https://www.mona.uwi.edu/socsci/plagiarism-and-academic-integrity>.

Course Outline:

| Dates | Topics/Information | Readings* |
|----------------|---------------------------------------------|---------------------|
| Week 1 | Introduction | Chapters 1 & 2 |
| Week 2 | Labour Productivity & Comparative Advantage | Chapter 3 |
| Week 3 | Specific Factors & Income Distribution | Chapter 4 |
| Week 4 | Resources & Trade: The H-O Model | Chapter 5 |
| Week 5 | The Standard Trade Model | Chapter 6 |
| Week 6 | Exam Revision | Chapters 1-6 |
| Week 7 | Midterm Exam (Tentatively) | Chapters 1-6 |
| Week 8 | External Economies of Scale | Chapters 7 |
| Week 9 | Firms in the Global Economy | Chapters 8 |
| Week 10 | The Instruments of Trade Policy | Chapter 9 |
| Week 11 | The Political Economy of Trade Policy | Chapter 10 |
| Week 12 | Trade Policy in Developing Countries | Chapter 11 |
| Week 13 | Exam Revision | All Chapters |
| TBA | Final Exam | ALL Chapters |

*All chapters are taken from the required textbook.

Extra notes and articles will be provided where necessary and posted to OURVLE.

Resources:

Required Textbook: *International Economics: Theory & Policy* - Krugman, Melitz, & Obstfeld (9/E)

Recommended: *Applications of International Trade Theory: The Caribbean Perspective* - Hosein

Extra reading: *The Economist*, and *The Financial Times*.

César Hidalgo's revolutionary project website: <http://atlas.media.mit.edu/en/>

"...trade is an economic activity like any other and can indeed usefully be thought of as a kind of production process that transforms exports into imports." ~ Paul Krugman